

TOWN OF SUNSET BEACH

TOWN COUNCIL AGENDA ITEMS

MEETING DATE: June 6, 2011

AGENDA ITEM NUMBER: 2.

SUBJECT: Public Hearing

SUMMARY OF INFORMATION:

This public hearing is on the financing for the purchase of the land on the Intracoastal Waterway that is proposed to be developed into a public park. Public comments will be heard on borrowing for the acquisition. Various amounts have been proposed such as borrowing all \$2.1 million, borrowing only \$1 million, or borrowing nothing at all and purchasing the property with cash reserves.

There is an Offer to Purchase contract in place now with a purchase price of \$2,650,000 of which \$550,000 is covered by grant funding. That leaves \$2,100,000 for the Town to pay. The Town could borrow all of the balance or some portion thereof, or pay the \$2.1 million out of its \$10.8 million in cash reserves.

The Town has received three bank proposals on borrowing as much as \$2.1 million over ten years at interest rates ranging from 2.95% to 4.0% with total interest costs ranging from \$340,725 to \$468,416.

TOWN ADMINISTRATOR'S RECOMMENDATIONS OR COMMENTS:

TOWN ADM: (x) DEPT. HEAD ()